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Ike Failure to Act on Recession Draws Fire of Labor, Liberals

WASHINGTON (PAI)—With unemployment figures continuing a breathless climb—rising by 1.1 million between December and January to a level just short of 4.5 million—the debate as to what the government should do became more bitter. On one side is the Administration and many of the business interests that support it.

The conservative economists who represent them fail to see the present drop in the economy as anything but temporary. They speak optimistically of a pick-up "soon"—and they see no need for strong measures.

On the other side are labor and liberal economists and Senators who declare bluntly that the Administration is whistling in the dark, has failed to understand the need for action and is waiting for an upturn without really doing any-

You Can Depend On the Bankers

The following is an excerpt from President Eisenhower's press conference of Jan. 15:

"Question: Mr. President, in your message to Congress you stated that you anticipated an improvement in the economy during the remainder of 1958. Would you care to tell us on what you based this conclusion?"

"The President: Well, I think that it is perfectly simple. I have a number of economic advisors; every . . . several departments of the Government are interested mainly in the economic situation and outlook.

"We have coming constantly into the Treasury Department and others a whole series of bankers in performance of their duty, and the consensus of all these people, as I see it, is an upswing rather than a continuation of any downturn during the period."

thing adequate to bring it about.

"Recession Is a Fighting Word," says the current issue of Business Week, accurately reflecting the unwillingness of the Administration to admit a serious economic situation in an election year. President Eisenhower said he expects an upturn in March.

Reflecting the businessman's view was economist Walter D. Fackler, spokesman for the U. S. Chamber of Commerce. Fackler said in effect that he didn't see anything to get excited about, that the current slump would "be fairly mild and short-lived" with "expansive forces" returning in the second half of the year. Fackler's general approach was that a free economy demands a "normal" range

of fluctuations in its operations "as a necessary condition for adaptability and growth."

In a debate on the Senate floor, a number of Democrats castigated the Eisenhower Administration for its failure to take more decisive action against rising unemployment. Sen. Pat McNamara (D. Mich.) told his colleagues that "it is generally accepted that the condition in which we find ourselves today can be called recession."

"We do not hear the word used by the Eisenhower administration, however. To the President, it is a 'period of consolidating the gains of recent years.' Or, he says, the 'economy is catching its breath for a new advance.'

Sen. Richard Neuberger (D. Ore.) said that his state now has 12.8 per cent of its work force without jobs, the high-

est in the nation. His colleague, Sen. Wayne Morse (D. Ore.) said this was "because of the inexcusable and unconscionable policy of the President of the United States—and I always put the responsibility where it rests, and it squarely rests on his shoulders—which he has followed in the economic field since he came into office"

"Some people may close their eyes and turn a deaf ear and a cold heart to the millions of people who are unemployed and the many more millions who are partially employed, and who are in distress," declared Sen. Albert Gore (D. Tenn.).

Gore said that he is drafting a bill which would set up a new Public Works Administration, similar to the former New Deal agency, to provide work for the millions of jobless.



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DEADLINE NOTICE FOR NEXT ISSUE

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rwdsu RECORD

Bound Volumes of 'Record' Available Back to '54

A limited number of bound volumes of *The RWDSU Record* are available for purchase. The bound volumes begin with the merger convention issue, dated June 6, 1954. The issues for 1954 and 1955 are bound together in a single volume. Also available now are the separately bound volumes for 1956 and for 1957.

The price for each of the three volumes is \$5.50. All three may be ordered at one time for \$15.50. Orders will be filled on a first-come, first-served basis. At the time you order, please state whether you wish to reserve future bound volumes.

fective inspection, supervision and control to assure the universal banning of military nuclear tests, the cessation of production of nuclear weapons, ballistic missiles, and the transfer of existing nuclear stock piles to peaceful use."

In the U.S. Senate, Hubert Humphrey, Democrat of Minnesota, called on the Eisenhower Administration to relax its long-held position that it will negotiate with the Soviet Union only on a "package" of disarmament proposals. Humphrey, who is chairman of the Senate Subcommittee on Disarmament, was joined in his expression of dissatisfaction with the way the Administration has approached talks with the Russians by a number of his Democratic colleagues, including the Senate Majority Leader, Lyndon Johnson of Texas.

Sen. Humphrey said the thing to do is to start with a single point, for example the suspension of nuclear weapons testing, under inspection safeguards, and see if that could be ironed out. Then, he said, the U.S. and Russian negotiators could proceed to other questions of disarmament.

Big Iowa Department Store Votes RWDSU

WATERLOO, Ia.—Black's Department Store, one of Iowa's big stores with some 350 employees, got an RWDSU label last week when a National Labor Relations Board election showed 166 voting for the union to 138 for "no union", Regional Dir. Al Evanoff reported.

The total of 350 employees includes sales and non-selling in the store, a coffee shop and tea room on the premises and a Black's-operated supermarket in a residential area of the city.

The vote capped a careful organizing campaign of more than a year which saw a number of the other unions in this city of 70,000 pitching in generously with various kinds of help. Evanoff described the help given by other unions as "the best demonstration of the meaning of AFL-CIO unity."

In addition to individual locals making clerical workers available to the RWDSU campaign and lending free meeting space in their headquarters, the United Black Hawk County Union Council turned out members for leaflet distributions and home visiting drives.

The Council also took a full page advertisement in the local press to answer phony company charges against the RWDSU.

The Council represents about 15,000 members of

such unions as the United Auto Workers, Packinghouse Workers, Teamsters and Construction Trades locals.

Attempts by the company, which is affiliated with the nation-wide Allied Stores chain, to smear the union and its leaders in letters to the employees were scotched by the Council ad plus a letter to all Black's employees signed by the members of the RWDSU organizing committee. This letter marked the first time that the organizing committee members made their names public.

Evanoff said their willingness to do this showed full confidence in the union, which was communicated to a majority of the other Black's employees, and was reflected in the pro-union vote. The committee members are Edna Howlett, Lillian Boller, Vernon Mikkelson, Martha Wubbena, Bernice Burkey, Rachel Farmer, Patricia Nieman, Ollie Hoosman, Sue Spear and Marjorie Knight.

Also helping in the campaign were three members of RWDSU Local 110 of Quaker Oats in Cedar Rapids, some 80 miles distant. They are Education Dir. Harold Ketchum, his wife Mabel, and Lavina McGillicuddy, chief steward of women.

The RWDSU victory was big news here in Water-

loo, and prominent stories were carried in the local newspapers and in newscasts on local television and radio stations.

Black's, besides being the largest store in town, is one of the oldest, having been established more than 50 years ago. Many of the employees have long service with the store, including one worker with 46 years.

The union's arrival on the scene resulted in certain benefits, including a raise in the 85-cent hourly wages to \$1, and institution of time and a half pay for the first time. However, in both cases other measures by management acted to cancel out the gains.

In the case of the wage increase, the firm at the same time raised the quota of sales required before commissions go into effect, with the result that many employees actually earned less than before the increase. Also the company suddenly got very strict on overtime work, permitting no one to stay beyond the regular quitting time.

The union will press for early negotiations, Evanoff said, on proposals which call for wage rates of \$1.25 an hour, a job classification program, improved holidays, health insurance coverage and union security.

Meanwhile, the workers are planning a victory celebration to be held Feb. 20 at the UAW's Security House, which has been open to them free of charge for meetings throughout the organizing campaign.

AFL-CIO Calls Emergency Meeting on Recession

MIAMI BEACH, Fla.—The AFL-CIO Executive Council, in its first meeting since the historic convention in Atlantic City last December, took decisive actions this month on urgent national issues as well as internal labor matters. Foremost among these was a call to all unions to send representatives to an emergency conference next month on steps needed to end the "wasteful and needless recession." The conference, to be held in

Washington March 11-13, will deal with inflation and unemployment, and will act on proposals to halt the slump in the economy.

The 27-member Council met here Feb. 2-12. During that period, meetings of other leading labor bodies were also held, including the Administrative Committee of COPE, of which RWDSU Pres. Max Greenberg is a member. Also here during the sessions were Sec.-Treas. Alvin E. Heaps and Exec. Sec. Jack Paley. Exec. Vice-Pres. Arthur Osman, who serves as Southern Area Director and who resides in this city, was also on hand.

No-Raiding Procedures

The AFL-CIO leaders strengthened and streamlined various procedures governing relations among unions. Notable among these was the adoption of new no-raiding procedures, providing for referral of all complaints of raiding to impartial umpire David L. Cole, whether or not the unions involved are signatories to the no-raiding agreement.

An agreement settling a long-standing jurisdictional dispute between the Building Trades Dept. and Industrial Union Dept. was reached. It covers the thorny question of which union shall have jurisdiction over construction work alterations and major repairs in industrial plants. The Building Trades Dept. was also involved in another agreement, this one with the National Constructors Ass'n., covering new procedures designed to promote more efficient construction methods.

Relations With Teamsters

The Council referred action on requests by rebel Teamster locals for AFL-CIO charters. It also refused to change the status of mutual-assistance pacts signed in years past by a number of unions with the Teamsters. However, AFL-CIO Pres. George Meany reemphasized at a press conference that there has been no change in relations between the expelled union and the Federation, and that no peace moves were underway.

Full compliance with the Ethical Practices Codes was demanded of all unions by April 15, 1958, in a resolution adopted by the Council. Meanwhile, the Ethical Practices Committee is continuing its study of two unions charged with corruption—the Operating Engineers and the Jewelry Workers International Union.

A reduction in the AFL-CIO field and headquarters staff of some 125 persons was approved by the Council. The Federation will save about \$1 million a year as a result of the economy move, which had been contemplated since the merger of AFL and CIO.

Greenberg Asks Speed Up in Bucks for COPE



PRES. MAX GREENBERG
Helped Plan COPE Program

MIAMI BEACH, Fla.—A call to all RWDSU locals to speed up donations of \$1 per member for the AFL-CIO Committee on Political Education was issued last week by Pres. Max Greenberg. His message to the locals followed his participation in a meeting of the Administrative Committee of COPE, of which he is a member, where plans for the 1958 election campaign were formulated.

At the meeting, detailed analyses of the political situation in the most important Congressional and gubernatorial races were presented. In a press conference after the meeting, COPE Dir. James L. McDevitt declared that labor has "reasons for optimism" about the elections.

McDevitt said that the National COPE has a "practical goal" of raising about \$900,000 from union members in voluntary contributions for the 1958 elections. Last year, which was a so-called off-season politically, COPE raised \$527,000 and over \$845,000 in 1956.



INTENSE PUBLIC INTEREST in actions of AFL-CIO Executive Council is evident from this view of one of many press conferences held during recent meeting in Miami Beach. At head of table, AFL-CIO officers William Schnitzler and George Meany respond to reporters' questions as newsreel and TV cameras grind away. To their left is Abe Raskin, New York Times labor writer.

Labor Again Bids Congress Widen Pay Floor Coverage

MIAMI BEACH, Fla.—A big part of the AFL-CIO Executive Council's week of deliberations here was devoted to legislative matters, with top priority for steps to halt the recession. The Council again called on Con-

gress to extend coverage under the minimum wage law to millions not yet cov-

ered.

Among the specific steps proposed by the Council were these:

- Provide adequate unemployment insurance by enacting immediately additional federal minimum standards to bring state insurance laws up to standards of decency.

- Stimulate economic growth by lowering interest rates.

- Enact a federal program to aid chronically distressed areas.

- Raise individual exemptions under the federal income tax by \$100 to stimulate purchasing power and consumer sales.

- Accelerate public housing and enact a school construction bill to restore the building industry to maximum production.

- Extend coverage of the minimum wage law to those not now protected

and increase the minimum to \$1.25.

• Improve social security benefits for the aged and disabled.

A sharp attack on Pres. Eisenhower's budget recommendations—which would scrap much of the social welfare legislation enacted during the past 20 years—was made by the Council. It noted the tie-in between this program and the long crusade against welfare services by the NAM and the Chamber of Commerce, and charged that far from cutting federal services, such programs "must be improved and extended, not destroyed."

Other specific measures urged by the Council included a call for a \$500-million-a-year housing and slum clearance program; a school construction program and other federal aid to education; a 7½ percent pay boost for government employees, plus a \$20-a-month cost of living increase for postal workers.

Supreme Court Limits NLRB On T-H Affidavit Use

WASHINGTON—The Supreme Court in a precedent-making decision has prohibited the National Labor Relations Board from using the non-Communist affidavit section of the Taft-Hartley Act as an absolute bar to recognition of a non-complying union.

The case involved the United Mine Workers, whose officers have always refused to comply with the Taft-Hartley provisions for non-Communist affidavits, the Teamsters Union and the Bowman Transportation Co., Gadsden, Ala.

The court upheld the NLRB in ruling that Bowman and the Mine Workers had collaborated in an unfair labor practice by giving and receiving "recognition" of the UMW's catch-all District 50 when none of the Bowman employees had chosen District 50 as bargaining representative.

The board had ordered the company to withdraw "recognition" and further directed it to withhold future recognition until District 50 was certified by the board as official bargaining agent.

This was equivalent to stating that District 50 could never be recognized because the board cannot certify a union not in compliance with the Taft-Hartley Act.

The Supreme Court unanimously ruled that in this further directive the board went too far. A non-complying union cannot be ruled off a ballot and denied a chance to show it represents a majority of employees merely because it declined to file Taft-Hartley affidavits, said Justice William J. Brennan, Jr.

Brennan suggested that a non-complying union could be allowed by the labor board to appear on the ballot or that some agency other than the board might be asked to conduct the election. Lack of verification by the NLRB, he implied, should not deny a union a valid contract if it actually represented a majority of employees.

Ohio AFL, CIO to Merge

COLUMBUS, Ohio (PAI)—An agreement for merger of the Ohio State Federation of Labor and Ohio CIO Council has been approved by the executive boards of both state organizations. The merger agreement will be submitted for approval to separate state conventions of the two organizations before a joint convention is held to approve the agreement.

The two executive boards, meeting in Columbus, also approved a proposed constitution for approval by the separate and joint conventions. The separate conventions will be held in Cleveland beginning May 5. The joint convention will begin in the same city on May 7.

The name of the merged organization will be "The Ohio AFL-CIO." Offices and headquarters of the merged organizations will be in Columbus, the present location of the two state headquarters.



JOINT AIRCRAFT WAGE PROGRAM: Unity leaflets outlining joint bargaining objectives of Machinists and Auto Workers for aircraft and missile workers are handed to UAW members at North American plant, Columbus, Ohio. Representing 500,000 workers, the two unions in one day distributed unity leaflets at 100 plants in United States and Canada.

Steel Profits Soar While Unemployment Grows

PITTSBURGH—The fantastic 1957 profits of U. S. Steel—tops in company history—afford little consolation for the thousands of unemployed and short-week steelworkers, David McDonald has charged.

The Steelworkers Union president pointed out the net profit of \$419 million for U. S. Steel came in a year of sharply declining production. These profit figures prove, McDonald stated, that the USW has been correct in charging that price increases "are governed neither by the demand for the product nor the cost of making it, but solely by the desire for ever larger profits."

The union had pointed out that the company's \$6 a ton increase last year was inflationary and unnecessary. Such pricing policies in steel, auto and other major industries have caused not only widespread unemployment but have spurred inflation and chipped steadily away at the value of a worker's buying dollar, McDonald declared.

Had U. S. Steel not imposed a \$6 per ton steel price increase in mid-1957 it would still have realized net profits of approximately \$390 million, which would have been higher than net profits in its most profitable prior year, the USW leader said.

N.Y. Blue Cross Rate Hike Turned Down—for Now

NEW YORK—Firm protests by organized labor against a proposed 40 percent increase in hospital insurance premiums have contributed to a decision by the state superintendent of insurance barring any rate increase by Blue Cross (Associated Hospital Service of New York) at this time. Union leaders are warning, however, that Blue Cross has not given up its fight to increase its premiums, and that the decision against its application could be reversed this summer.

Insurance Superintendent Leffert Holz rejected an application by Blue Cross that would have jacked up premiums for approximately seven million persons covered by the hospital plan in downstate New York. In turning down the Blue Cross request for higher premiums, Holz upheld a position he took at the conclusion of hearings several months ago that the hospital plan has a surplus of \$14 million which will last at least until June 30, 1958, and on which it can draw to defray alleged losses in operating expenses.

Although he categorically turned down any increase at the present time, Holz left the door open for Blue Cross to make a new request for an increase when it becomes clear that the surplus will be used up.

The surplus fund on which Blue Cross will be expected to draw is a special fund, and is completely separate from a so-called free surplus fund having about \$30 million in extra reserve.

It was last November that the Blue Cross petition for an increase evoked considerable opposition from trade union and city employee groups during the course of hearings conducted by the state insurance superintendent.

Compensation Confab Set

MIAMI BEACH, Fla. (PAI)—Charging that the 50-year old American system of workmen's compensation "has not kept abreast with economic and industrial changes," AFL-CIO Pres. George Meany has issued a call for a special conference to make recommendations for improvements.

The conference was called for April 15-17, marking the 50th anniversary of the law to provide compensation for workers injured on the job. The sessions will be held in Washington.

In a letter sounding the conference call Meany said that one worker in four is not covered by workmen's compensation, that on the average the worker suffering a temporary total disability is compensated about one-third of his wage loss; that great disparity exists among states in the benefit amounts for the same injury, that occupational diseases have not been sufficiently recognized and that many phases of workmen's disability have been completely neglected.

WATCH on the POTOMAC

By ROBERT G. SPIVACK

Washington — Sen. Dirksen of Illinois has now joined Sen. Goldwater of Arizona in making "Reutherism" a major political issue for the Republican Party in 1958. Before long, I suspect, The White House too will be joining the campaign against the United Auto Workers chief. Actually, some of the President's aides have long considered some sort of verbal assault on Reuther but have restrained themselves in public—so far.

Walter Reuther is an enigma for the Republicans—and maybe for others, too. They don't quite know what to do about him. Some businessmen seem to regard him as the single most dangerous man in America since FDR. No one suggests that Reuther kindles the same sort of popular enthusiasm for himself that Roosevelt managed to evoke in millions of Americans. Reuther moves in the realm of ideas alone rather than trying to win friends via the personality pitch. But when you are part of an Administration that regards "don't rock the boat" as a code to live by, a man

like Reuther can seem downright subversive.

Goldwater and Dirksen apparently are determined to make the name Reuther as feared and hated in some circles as the Old Guard Republicans once managed to make the words "New Deal." There are many Republicans, though, who don't like the way the Dirksen-Goldwater team operates. Some are afraid that the more they attack Reuther, the more popular he will become. And worse than that, his profit-sharing plan will win wide acceptance.

When I watch Goldwater and Dirksen in action I'm reminded of a story I heard in New York during the Asian flu epidemic. Two girls were riding in the subway when one let out a powerful sneeze. "Say," said the second, "you want to watch out with those germs."

"Oh, don't worry about that," answered the sneezer. "I'm so full of miracle drugs I figure every time I sneeze I cure at least five people."

Goldwater and Dirksen likewise seem to be deluding themselves.

IS PROFIT-SHARING GOOD? There is a Great Debate going on in Wall St. over Reuther's proposal to share profits with the auto industry's Big Three. A similar debate is going on in union circles. Not every union leader is enthused about the idea.

Reuther's plan, as explained to the Senate Anti-Trust subcommittee, is essentially this: the union is willing to defer its "equity" in company operations until the year-end fiscal accounting shows whether or not there has been a profit. If there has been a solid gain, the employees want part of it, with provisions that consumers get a cut as well as company executives and stockholders.

Reuther himself notes that General Motors managed to make a profit in the midst of the depression—when there were nearly 14,000,000 jobless, when the banks were closing down, and when farmers had to protect their land with shotguns against foreclosure.

If, he argues, GM could make a profit in those days then the UAW will take

its chances on cutting up the GM melon in 1958.

The argument creates a dilemma for the auto industry and for the Administration. The Republicans can't very well campaign this year on a continuing prosperity theme, if they insist that Big Business can't afford the Reuther Plan or something like it. The auto industry can't keep jacking up the cost of cars and then complain that their market is shrinking.

But they are up against something else, too. Reuther is determined to "educate" the public about the argument that wage increases are the greatest factor contributing to inflation. "Price increases imposed by the automobile corporations have been up \$5 for every \$1 gained in wage increases," Reuther maintains.

And then he goes on to say, "Management's greed for bigger and bigger profits has been the major factor responsible for price increases."

Before it's all over it promises to be quite a lively argument.

Retail Locals Set Terms on Feb. 22 Work

NEW YORK CITY—The alertness of RWDSU locals in protecting their members' rights was underscored this month. A survey of retail locals in the metropolitan area by The Record found that the locals had taken concrete steps, in accordance with their respective union contracts, to guarantee that members who work on Washington's Birthday will be properly compensated.

Retail local leaders pointed out that a special problem had arisen with regard to a number of stores that normally close on Washington's Birthday, since this year the holiday falls on a Saturday. With Saturday sales volume in many retail stores running as high as 40 percent of the week's total, some merchants faced a serious loss of business to competitors who planned to stay open. Special consideration was extended by the locals in such instances.

Holiday Observance Varies

Observance of the holiday varies according to the neighborhood. Generally speaking, midtown department stores and chain store branches, and retail stores in the downtown financial district are closed on Washington's Birthday. However, the practice of running special sales on that day, instituted in Washington, D.C. a number of years ago and brought to New York more recently by some stores, has been spreading, and thus putting additional pressure on those who normally close.

Here is a rundown on the situation in industries covered by RWDSU locals:

Retail Shoe Employees Local 287 and 1268: Most shoe stores will be open Feb. 22, but it will be optional with employees whether they work on that day. Those working will receive an extra day's pay plus usual commissions on sales.

Women's Apparel Employees Local 1125: Lane Bryant, Emily Shops and Roaman's will be closed. Kings Highway stores in Brooklyn, normally closed, will be open; employees will get time and one-half, plus holiday pay. So will employees of S. Klein, who will thus get 20 hours pay for 8 hours work.

Dry Goods Employees Local 1102: Openings will depend on prevailing neighborhood practice. Holiday pay will be in accordance with contract provisions, with some getting time and one-half, and others getting double time for working on the holiday.

Men's Furnishings Employees Local 721: Weber & Heilbronner, Wallach's, Broadstreet's and other chains, normally closed, will open on Feb. 22. Employees will receive time and one-half plus pay for the holiday. The Association contract does not list Washington's Birthday among the eight holidays it provides. Independent stores which have the holiday but remain open will either pay time and one-half or give another holiday instead.

Retail TV Local, District 65: The two big chains, Davega and Vim, have contract provisions calling for half the staff to get Lincoln's Birthday off, the other half Washington's Birthday. Anyone due to get the latter off who is required to work will receive time and one-half plus holiday pay.

Food Employees Local 338: While union contracts provide 11 holidays a year, Washington's Birthday is not one of the 11 in most cases. For those stores where it is, workers will get time and one-half, plus holiday pay if they work.

The two suburban retail locals—Local 108 in New Jersey, and Local 305 in Westchester County, will operate along the same lines as their New York counterparts, following prevailing industry and locality practices. In stores which will open but where past practice has been to observe the holiday, work will be on an optional basis.

Drug Employees Local 1199 and Bakery Employees Local 260 do not have Washington's Birthday as a holiday. As described in the last issue of The Record, RWDSU department stores in the city will be closed, including Macy's, Gimbel's, Bloomingdale's, Stern's, Saks-34th St. and others.

Northeast

Stern's Strike Looms March 1; Full Labor Backing Pledged

NEW YORK CITY—Less than two weeks away from the March 1 strike headline at Stern's department store, management at the big 42nd Street store has yet to agree to the key union demand of a \$1.25 an hour minimum starting rate, and a strike of national importance loomed for the 1,400 employees, members of District 65 of the RWDSU.

Active support for the walkout, if it should come, was pledged in a resolution adopted by the AFL-CIO convention last December. Leaders of the New York City AFL and CIO Councils were conferring this week with '65 Organization Director Bill Michelson on specific steps in support of a strike.

The AFL-CIO convention called upon all affiliates to support the department store members of District 65 in their struggle with the Stern's and Bloomingdale managements because of the deep interest all of labor has in the achievement of a \$1.25 an hour lowest starting rate in department stores. The '65' contract with Bloomingdales expires a month after Stern's, on April 1.

In the few negotiating sessions held thus far with the management of Stern's, an affiliate of the Allied Stores chain, offers have been vague as to the amount of a general increase and minimum wages. However, the company has specifically refused to agree to the \$1.25 rate and other minimums regarded as "musts" by the union—\$1.50 an hour for semi-skilled stock and clerical jobs, and \$1.75 an hour for warehousemen and skilled stock and clerical jobs.

Confidence in the soundness of their demands, and in the ability of the union to conduct an effective strike, has grown among 65ers as a result of the success of the union's Feb. 1st contract campaign, which saw contracts with 400 individual employers renewed with but one strike in a small shop—and that one was settled after a few days.

Lerner Victory Cited

Of particular importance was the settlement for 1,000 employees of the Lerner Shops home office and warehouse, bringing raises of \$3.75 and \$4.25—the latter for warehouse work—as well as the \$1.25, \$1.50 and \$1.75 rates, a cost-of-living clause, and an unprecedented job protection clause guaranteeing no layoffs for any employee with a year or more of service.

At a membership meeting last week which filled the 65 Center's big Penthouse ballroom, Stern's members adopted a program which includes a speed-up of strike fund savings, a demonstration after work on Tuesday, Feb. 18, registration on Feb. 20 for strike duty and wearing of union buttons after that date, leaflets to customers, and a city-wide demonstration sponsored by the AFL-CIO on Feb. 27.

"We're ready for a strike on March 1," declared '65 Vice-Pres. Nicholas Carnes, who is leading the Stern's strike preparations. "We are confident of the full support of labor and the public, and our members at Stern's and throughout the District will give a good account of themselves. We're going to win."



SEEING THEIR CONGRESSMAN are these members of Drug Employees Local 1199, shown with Rep. Abraham Multer (Dem.-Lib.) of New York. From left are Stewards Ben Katz and Ben Tekel, the Congressman, and Division Dir. George Goodman, who is pointing to RWDSU petition urging extended coverage under federal minimum wage law.

GOP Again Pushes Bills Harmful to N.Y. Jobless

ALBANY, N. Y.—Republican leaders in the State Legislature were making another attempt to enact a discredited 1957 unemployment insurance bill—twice before vetoed by Governor Harriman—as this issue of The Record was in the mails. The bill, introduced on Feb. 5 in the Senate and the Assembly, is virtually a duplicate of the one sponsored by Republican leaders and backed by big business at the 1957 Legislature, to amend the unemployment insurance law of New York.

Organized labor, which backs Governor Harriman in demanding increased benefits for the jobless, but without strings, continued to fight the enactment of the GOP legislation for the following reasons:

1. The principle that benefits be no less than 50 percent of wages would be destroyed. The bill would give the \$45 maximum (an increase from the present \$36) only to those who earned \$100 or more a week, destroying the accepted 50 percent principle—cutting it to 45 percent.

2. The penalty provision would be harsher. A worker fired for cause, for

refusing a suitable job offer, or quitting voluntarily, would be unable to collect unemployment insurance for the first six weeks. Presently, the worker can wipe out that penalty by obtaining bona fide employment. Under the new bill it would be impossible to wipe out the penalty at all.

3. Challenge of claims by employers would be made easier, providing a new strike-breaking weapon to employers. Employers could block payment of benefits by filing protests and taking appeals.

4. Jobs of thousands of workers would be endangered because seasonal and irregular business would have to pay more taxes, and might therefore move out of the state or be liquidated. Heavier taxes would be imposed on seasonal industry, lighter taxes on year-round businesses.

Bay State Council Unites 16 Locals

ATTLEBORO, Mass.—The strength and resources of locals in the jewelry and plastic industries in New England have been merged in a new RWDSU organization with the founding on Feb. 1 of the Bay State Council, its president-elect, Tom Leone, announced.

Most of the locals are in Massachusetts. There are 16 locals in all, including two joint boards in Leominster and Attleboro.

Immediate plans of the Council call for concerted organizing efforts in the jewelry industry, whose plants are concentrated around Attleboro and Providence, R. I.

The locals, which have been working under the supervision of New England Dir. Leone, were encouraged to form a

will be withdrawn by stages. "It is expected that, with the good potential for organizing in these industries, this group will in the near future find its feet as a solid, self-sustaining organization," he declared.

Eighty delegates, representing all locals in the new Council, on Feb. 1 elected, in addition to Leone, Herman Bourque as secretary-treasurer, Anna Wronkowski as recording secretary and Joseph Sylvia as sergeant-at-arms. Trustees named are Ralph Barisano, Alice Shea, Lillian Gagne, Mrs. M. Joseph Donahue and Antonio Arrugio. The officers will serve terms of two years.

RWDSU V-P Arrested in Chicago Plastics Shop Strike

CHICAGO, Ill.—The Ger-Ell plastics workers went out on strike on Jan. 30, taking to the picketline the fight for their first RWDSU contract. The two weeks of picketing since then, during which they have faced sub-freezing weather every day plus harrassing arrests on petty charges, have proved the mettle of this group, Chicago Joint Board Pres. Henry Anderson said.

Anderson, who was himself arrested on the third day of picketing, said the workers are carrying out a disciplined strike, manning the lines in shifts throughout the day and turning out en masse for full-scale picketing in the morning and evening.

Full cooperation from the Teamsters union has brought shipping and receiving operations to a standstill. Anderson called on RWDSU members who work in dairies, in particular, to check on the brand of containers their companies use for various products.

If the brand is Premium Plastics, Anderson urged RWDSUers to ask their employers to refuse to receive any more of these containers until the strike is settled.

Negotiations on the first contract with Ger-Ell had been going on since last fall, when the workers voted for the union. The sticking point in the talks was wages, with the employer claiming he couldn't give more than 5 cents an hour in increases, and the union

insisting—after a check of the firm's books—that substantially more could be given.

Several meetings before a federal conciliation officer failed to reconcile the parties. Anderson declared that the price for a settlement would now be higher, since the employer saw fit to force the shop out on strike. In addition to demands for increases of 15 cents an hour, the workers seek improvements in the low hiring rates, which are \$1.05 and \$1.10 for women and men, respectively, as well as boosting the entire wage structure.

Rank and file strike leaders are Charles Lewis, Bedella Miles and Clarence McWoodson. Working with them are Joint Board Reps. Carl Sanzone and Manuel Galladora.

Await Opening of Talks At Pittsburgh Stores

PITTSBURGH, Pa.—About 1,200 members of Local 101 employed in Frank & Seder, Rosenbaum's and Kaufman's department stores were awaiting an answer to their request for negotiations to begin on contract renewals due this month.

Demands of the employees in the three stores were submitted to the Labor Standards Association, organization of the employers, last Dec. 10. The key union proposals call for wage increases of 25 cents an hour, a pension plan and welfare plan improvements, Business Mgr. Howard Fedor said.

The wage increase is to apply to all employees, including straight commission people, and would apply to the entire wage structure. For straight commission employees the increase would not be charged against commission earnings.

Minimums in the stores now range from

AFL-CIO Council Orders Merger of Michigan Labor

The AFL-CIO Executive Council has revoked the charters of the Michigan AFL and CIO bodies, and called a convention for a new Michigan State AFL-CIO for Feb. 24.

The action followed a report by a two-man Council committee that merger of the State Federation of Labor and Industrial Union Council had neither happened nor was likely in the foreseeable future. AFL-CIO Pres. Meany told reporters he was "quite sure that the Teamsters Union was the main factor in blocking merger in Michigan. The state federation had declined to have the Teamsters unrepresented in the merged state organization.

The merger convention will open in Grand Rapids on the morning of Feb. 24 and will last until the business of the convention is completed.

\$40 a week to \$45, depending on job classification. Selling departments work a six-day week, with time and half pay for the sixth day, and non-selling employees work five days.

The need for a pension plan has been demonstrated by the companies themselves. No clear policy on retiring employees has ever been put forward, and a worker approaching retirement age must count solely on the company's good will for compensating long years of service.

Welfare Plan improvements sought are family coverage by the existing hospitalization and medical care provisions, and higher benefits.

Another demand is for increased supper money on the two late night openings. It is now 75 cents, and \$1.50 is sought.

"Right to Golf"

ST. PAUL (PAI)—The Minnesota Union Advocate is coming out for a "Right to Golf" law.

The paper reasons that any persons forming a golf club, or belonging to one already in existence, should be subject to a Golf Taft-Hartley law, providing that any benefits enjoyed by the club members should also be provided non-club members in the golfing unit or area.

Makes as much sense as the so-called "right to work" law, says the paper.



BETTER LATE THAN NEVER is Int'l Rep. John Capell's attitude toward this picture of Christmas party given by Local 184-L, Kansas City, Kan. Just received from breathless photographer, he rushed it to The Record. Capell and his attractive wife are seated second and third from right; standing second from left is '184-L' Pres. Harkless Cupp.

Big Wage and Hour Gains At Borden Dairy in W. Va.

HUNTINGTON, W. Va.—Employees at the big Borden Dairy in this city have racked up a long and impressive list of gains in a new 2-year contract effective Feb. 1, Int'l Rep. Edgar L. Johnson reported. Chief among the gains is a combination of reduction in hours plus wage increases in the plant, and base pay boosts for route salesmen.

About 100 of the 140 workers, members of Local 612, met Jan. 31 to give overwhelming approval to the settlement terms.

The hours reduction and wage increase package is effective in stages over an 18-month period, and raises the plant employees' hourly rates by an average of

better than 80 cents. The present 48-hour week is cut to 44 as of Feb. 1, to 42 on July 1, and to 40 next Feb. 1. On the same dates wage boosts of 4 cents, 3 cents, and 5 cents an hour, respectively, go into effect. An additional 4 cents effective Aug. 1, 1959, makes the total wage increase 16 cents an hour.

Retail route salesmen won \$5 base pay increases, wholesale men won \$2.50, and ice cream salesmen got \$3 plus commission boosts, bringing these rates from 2.1% to 2.35% of sales. The salesmen also won 2 days off after 12 days worked during the 6 winter months instead of the former 14-day requirement all year round. Other improvements were in pa-

MAIN BROUGHTON DAIRY PLANT SIGNS PACT

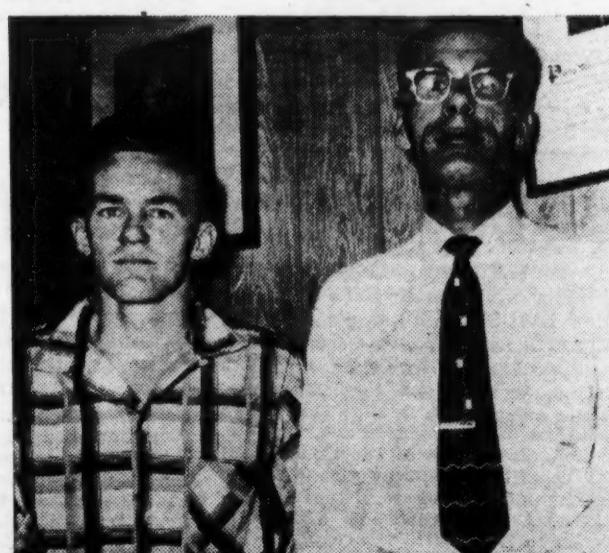
MARIETTA, O.—A first contract was concluded late last month between Local 379 and the Broughton Dairy Company's main plant in this city, Int'l Rep. Eugene Ingles reported. The settlement winds up the local's carefully planned campaign, begun last summer, to organize Broughton dairies in three cities.

Effective Feb. 24, the 80 Broughton employees here receive 10 to 35 cents an hour raises by virtue of a new job classification program. Also in the new pact are a minimum guaranteed work week, full seniority rights, a job bidding program, paid vacations, and union security provisions. The settlement was ratified at a membership meeting Jan. 31.

The shop committee was led by Regional Dir. Gerald Hughes, Int'l Rep. William Kee and its chairman, Richard Bartmess. Other members were William Hawkins, Delbert Westbrook, Clyde Scott, Bill Mercer, Perry Null and Bernard Hines.

The Marietta plant employees voted for the RWDSU in an NLRB election Nov. 6. The other two Broughton groups voted in the union last July, and won RWDSU contracts soon afterward. These are located in Quaker City, O., and Huntington, W. Va.

The overall campaign at the three plants was directed by Hughes, and involved substantial work by rank and file '379' members in other districts.



CHAIRMAN RICHARD BARTMESS & INT'L REP. BILL KEE
They were union negotiators in Broughton talks.

How Rates Go Up

An example of the gains in the new pact at Borden's in semi-skilled classification:

Former rate-\$1.51; Feb. 1, 1958-\$1.82; July 1, 1958-\$1.94; Feb. 1, 1959-\$2.08; Aug. 1, 1959-\$2.28.

per work and broken bottle charges, which were eliminated.

Other gains in the plant were time and a half pay for work over 32 hours during a holiday week, call-in pay of 3 hours instead of 2, vacation and pay schedule improvements, night shift premium boosted from 9 to 10 cents hourly, classification changes bringing additional wage increases, and other improvements.

Unit Chairman Ralph W. Ross and Int'l Rep. Johnson headed a committee of union negotiators, including Raymond Drown, Bill Copley, John Hite, Bill Chapman, Paul Jeffrey and Edsel Rollyson.



THE POTENT POWELLS of Birmingham, Ala., team up in organizing as well as in life. Mr. and Mrs. Tommy Powell led in signing up the Bruno Food chain's unit where they work, and are now actively working to organize several other Bruno stores in the city into Local 436.

A & P Workers in Knoxville Press NLRB for Election

KNOXVILLE, Tenn.—A&P supermarket employees in nine stores in this area have decided to continue to press for quick processing of their case for an election before the National Labor Relations Board rather than strike, Int'l Rep. Ed Rosenhahn reported.

Strike action was deferred at a membership meeting on Sunday, Feb. 2, in a secret ballot vote. The meeting itself, Rosenhahn said, was an example of members of the union making their own decisions. Company attempts to stink the meeting fell flat, he said, and several of those attending—who had not joined the union before—signed up on the spot.

Obstacles have been thrown in the way of an election since last summer by a combination of the company and the Retail Clerks union, whose latest contribution to the delay was to file unfair labor practice charges just in time to stall a vote scheduled for Dec. 11. The company made immediate use of this opportunity

to insist on a labor board investigation of the charges, even though the charges are apparently aimed at management.

Labor board hearings are scheduled to begin in the next month or two. Rosenhahn said the union will do its best to bring to the attention of the people of Knoxville the expected exposure at the hearings of the company's maneuvering to avoid a free election among its employees for the union of their choice.

Meanwhile, company bigwigs were in town trying the technique of "loving 'em away from the union," Rosenhahn said. This approach has been used in the past as an alternate to intimidation and threats of discharge. None of these have worked before, and none of them are working now, he said, as the 150 A&P workers stand solidly in the ranks of the union.

ROAD TO UNION

A & P Story in Verse

Although the road to union is rough,
and obstacles mar the way,
for every setback there'll be a day,
every member will make it pay.

We all have woes to cope with,
some have a greater share,
but the goal we are working for
makes it all easy to bear.

For every failure there is faith,
to try and try again,
with RWDSU to guide us,
we'll fight until we win.

Our campaign is filled with many things
that constitute a test,
so regardless of what happens
we feel it's for the best.

For though the road to union is rough
and setbacks mar the way,
we can endure the huff and puff,
until the company signs and pays.

—Ed Rosenhahn

Raises, Minimum Hikes Mark Settlements With W. T. Grant In Birmingham and Gadsden

BIRMINGHAM, Ala.—Contract renewals with two W.T. Grant variety stores here and in Gadsden, Ala., have been concluded on identical terms, with the workers in this city setting the pattern. The outstanding improvement made was establishment of new minimums in all job categories, bringing wage increases which range from \$1 to \$5 a week. The settlement affects about 100 employees, half of them in Local 436 in this city, and half in Local 506, Gadsden. It runs for one year.

Department managers, full time sales people and contingents, (those working less than 20 hours a week), have received 10-cent hourly wage increases, raising their rates to 90, 80 and 70 cents an hour, respectively. Most of the employees received increases of \$3 a week.

Also won was an improvement in promotion policy. Before, a worker promoted to a higher paying job during the life of the contract was not eligible for a pay increase until the contract was renewed. Now, such an employee will receive the higher rate immediately.

5-Day Week in Summer

In another improvement, the informal practice of working 5 days a week during 5 summer weeks was written into the contract. With this practice now a formal part of the contract, local leaders observed, the shops have a better opportunity to bargain for extension of the 5-day week in the future.

The Grant employees already enjoy company-paid health coverage, vacations to 3 weeks after 5 years, paid holidays, severance pay and other benefits.

The company has recently opened 3 new units in Birmingham, and meet-

ings are being held with the workers with a view to organizing them.

Negotiating for the shop in Birmingham were Chairman Lena Kendricks, Esbie Creel, Enola Sweeten, Elise Baker and Mattie Daniels, led by Regional Dir. Frank Parker and Int'l Rep. Bill Langston. In Gadsden, Langston and Int'l Rep. Lester Bettice headed the rank and file committee in the talks.

Fine First Contract At Long Meadow Dairy in Durham

DURHAM, N.C.—With eight months of a difficult organizing campaign behind them, RWDSU members at the big, independent Long Meadow Farms Dairy here achieved an impressive first contract settlement on Feb. 7, providing substantial wage gains and other improved benefits, Regional Dir. Irving Lebold reported. Lebold said the company has given up the violent union busting attitude it displayed before, and is dealing in good faith with the union.

Under the terms of the agreement, the workers will receive the following: Wage increases of \$5.20 a week in addition to 5 and 7-cent boosts given prior to the NLRB election victory; a guaranteed work week of 48 hours with time and a half after 40 hours; a one-half percent increase for commission men (bringing about \$40 a month in additional earnings); grievance procedure with arbitration rights; seniority and promotion improvements; and protection against unfair and unreasonable discharges.

Also, the company agreed to incorporate the following benefits, already in practice in the shop, into the contract: 12 day sick leave; 2 week vacations; 5 paid holidays; and accident and health insurance.

Long Meadow, the largest dairy in North Carolina, employs 80 workers. It has distribution depots in other cities, where some 70 employees, mostly route salesmen, are being organized by the union.

The decision of the company to "let bygones be bygones" and bargain in good faith, according to Lebold, is expected to create a good atmosphere in union-company relationships in the future.

4 Shops Organizing In Gadsden Drive

GADSDEN, Ala.—Some 50 workers in four shops are in the process of organizing into the RWDSU, under the leadership of Int'l Rep. Lester Bettice and Organizer L. C. Tucker.

The campaign is another project of the Joint Council of RWDSU Locals set up in Birmingham a year ago and now also embracing the locals in this city, which is about 60 miles north of Birmingham.

Tucker is a new organizer on the Council staff, having come out of his shop about two months ago.

Contact with the new shops was made mainly through the efforts of RWDSU rank and file members here. The firms are Thomas Bros., a wholesale grocery warehouse; Phillips Wholesale Grocery; American Optical Co., and a Buick auto dealer and repair shop.

Stanley Warehouse Organized in Atlanta

ATLANTA, Ga.—A majority of the employees at the Stanley Home Products warehouse here have signed up in the RWDSU and a labor board election is expected soon, Int'l Rep. Guy Dickinson reported. The firm is a well known distributor of household cleaning tools and other aids, whose Battle Creek, Mich. warehouse is organized in Local 820 of the RWDSU.

Local 820's contract was one of its impressive list of fine union conditions and wages did much to convince the workers of the wisdom of organizing. Dickinson also made frequent use of The Record, taking particular pains to point out articles which show how RWDSU locals help each other.

He said the workers are a strong group, active and ready to work in their own behalf. They are led by Sead Hindman, who has been elected head of the shop committee.

In other developments in this city, Local 315 has a campaign under way to sign up non-members in its shops. One

of the strongest arguments the union gave shop in which this is having an immediate effect is the Gulf-Atlantic cotton compress and warehouse. Here, some 40 members are working hard to sign their shop 100% in order to strengthen their organization for negotiations now going on under a contract wage reopeners.

The company has offered nothing yet, but Dickinson said management has been impressed by the workers' activity in signing up the non-members and their backing for a worker who was fired recently and whose reinstatement was won.

The sign-up campaign is in full swing in such other shops as Blue Plate Foods, where rank and file leaders Harold Al-

to the Stanley employees here, and Lums and Bertha Caldwell are leading the drive; in Economy Auto Stores warehouse, where the TV servicemen and drivers are the targets, and in Butler Shoe warehouse, with Shop Chairman Willie Burke signing up 18 workers who had not joined the union before.

The campaign, said Dickinson, is a prelude to a planned organizing drive. The stewards at a recent meeting set June 1 as the deadline for achieving 100% union membership in all the shops, having decided that they should first organize at home before going into completely unorganized territory.

10-Month Simmons Strike Ends in Victory

VANCOUVER, B.C. — Seventy determined RWDSUers had the rewarding experience of seeing their bitter 10-month strike concluded with a fine first contract last month at the Simmons bedding company, Int'l Rep. Bud Hodges reported. The strike was won 10 months to the day from when it began, last March 27.

The workers had organized and won certification some six months before the strike, but subsequent negotiations failed to move management from its inadequate offer of a few cents in wages and little more in other benefits.

The one-year contract finally achieved, which includes provisions for a wage reopeners in nine months, provides for a 35-cent hourly increase

for women now and 20 to 25 cents an hour for men, plus individual classification adjustments and a 6 percent increase in piece rates for 12 piece workers. Retroactive pay of \$100 will be given to all employees who reported for work by Feb. 7. The contract is effective as of Jan. 24, but at the union's insistence, the Feb. 7th deadline was fixed to allow strikers who had taken new jobs to give notice to their present employers that they are leaving.

In addition to the wage gains, the agreement reduces the work week by two and a half hours to 40 hours, with time and a half after 8 hours instead of after 40. There are 9 holidays. Double time will be paid for Sunday and holiday work. Plant-wide instead of department seniority, and grievance procedure with arbitration rights — to which the company was at first violently

opposed—are also included in the contract. The strike was settled with the help of Labor Dept. Mediator R. Clements.

As another provision of the contract, the company agreed to reinstate in full the weekly sick benefits, life insurance and pension plan which it withdrew during the strike, in an attempt to force workers to return to their jobs. This failed to break the determination of the strikers, however, even though many of them were long-time employees with a great deal invested in the pension plan in particular.

Extremely proud of their settlement, the Simmons strikers have extended sincere thanks to the members of other RWDSU locals and many other unions, who contributed moral and financial support during the strike.

200 in London Hotels After Big Wage Gains

LONDON, Ont.—"This is the year" for really big increases in this city's hotel industry, say the 200 members of Local 448, who are going into negotiations with managements of the 14 RWDSU-organized hosteries here.

Int'l Rep. Walter Kensit, who is leading the local in its wage drive, said the last increase two years ago was a token wage boost.

"This year we are asking for at least a \$10 increase for all male employees, 15 cents an hour now and 10 cents later for women employees, and 25 cents an hour for part-timers, who haven't had an increase in four years," he observed.

Talks have already begun with the Empire House and the Iroquois Hotel, which have gone to conciliation, and with the Brass Rail tavern. Negotiations will be conducted separately, and if strikes are necessary all members will be in a position to help each other on the picket lines, Kensit indicated.

"An Honest Look . . ."

He observed that "an honest look by the employers at our wage demands and at our members' needs will make any strike unnecessary." He pointed out, too, that wages here are considerably lower than RWDSUers' earnings in nearby Sarnia hotels.

In addition to wage increases the workers seek full company payment for hospitalization and medical care insurance, for which they now pay half; holiday and vacation improvements.

Local 448 announced with sadness the death of its secretary, Frank Walzak, a

Hour Cut Features Acme Dairy Pact

NAPANEE, Ont.—A new one-year contract reached with the Acme Farmers Dairy here has brought the employees substantial wage boosts and a reduction in hours during a total of 14 weeks of the year, Int'l Rep. Elmer H. Raycroft reported.

Wage increases range from 8 to 14 cents an hour, and the paid holiday schedule was improved by adding 4 more holidays for a total of 8.

The work week is reduced from 48 to 40 hours between Feb. 1 and March 6 and again between Nov. 1 and Dec. 31. Women employees will work 40 instead of 45 hours during these periods.

The 35 members of Local 477 enthusiastically approved the agreement at a meeting last month.

Since the settlement at Acme, negotiations on contract renewals have gotten under way at the Cow & Gate Dairy in Gananoque and at Nestle's in Chesterville, Ont.

Ont. Rally

TORONTO (CPA)—A mass meeting of Toronto workers and unemployed unanimously adopted a resolution sponsored by the Toronto and District Labor Council, demanding "bold, prompt and effective policies" for full employment.

The Labor Council had invited all the members of federal and provincial parliament in the area, the federal and provincial ministers of labor and other high officials. Only Arthur Maloney, parliamentary assistant to Labor minister Michael Starr, showed up at the meeting.

Mr. Maloney asked the meeting to make suggestions about how to deal with unemployment. He said he would take the suggestions back to the government. CLC Vice-President Mahoney replied that last November the Canadian Labor

Urge Action on Jobs

Congress had put its ideas before the government, which has not seen fit to put them into effect.

"Interest rates on housing have gone from 4½% to 6%," said Mr. Mahoney. "Reduce the interest rates and bring housing prices within reach of the people who need them and still have jobs."

In opening the meeting, Bert Gargrave, speaking for the Toronto Council, said labor was disgusted with the way both old parties were bandying about the plight of the unemployed. "If almost 800,000 persons are applying for jobs, then it must be assumed that the big majority of them are unemployed," he said. "The government hasn't given sufficient attention to pleas of the Canadian Labor Congress to solve the problem in an organized way."

John Whitehouse, of the Textile Work-

LABOR ODDITIES

ILA RECENTLY NEGOTIATED A CONTRACT PROVIDING A FREE TRIP TO EUROPE EVERY THREE YEARS... FOR THE OFFICE EMPLOYEES OF THE FRENCH LINES.....



LOCAL 321 BUILDING SERVICE EMPLOYEES UNION PRINTS ITS SHOP PAPER IN THREE LANGUAGES: POLISH... ENGLISH AND SLOVAK.....

Copyrighted: Labor Features

MRS. RUTH M. SPEER OF FREEMONT, OHIO... WROTE TO THE AFL-CIO NEWS... SUGGESTING THAT ATTENDANCE AT UNION MEETINGS COULD BE BOOSTED... IF WIVES WERE INVITED!

North Bay Dominion Store Organized, First Pact Won

TORONTO, Ont.—Another store in the widespread Dominion grocery chain has been organized by Local 414—this one located at North Bay, some 250 miles from the local's headquarters here.

A first contract has been won, providing the 37 employees with wage increases ranging from \$5 to \$20 a week, paid holidays and vacations, union shop, grievance procedure and other conditions typical of Dominion Store pacts elsewhere.

The negotiating committee members, Al Moreau and Frank Perry, were joined by Int'l Rep. George Spaxman and '414' Education Dir. Don Collins in concluding the agreement.

Organizer Roy Higson led the organizing campaign, which got an early boost by several former members of the union who had been transferred to North Bay by the company, and had spoken to the workers about joining the union.

Although signed up and certified last summer, agreement on the contract was delayed by the need to go to a conciliation officer first, and then a board of conciliation in order to reach a satisfactory settlement.

feature Section

Why Labor Is In Politics

By JAMES L. McDEVITT
National Director of COPE

The Congressional elections of 1958 will mark another test of strength for the Committee on Political Education (COPE) in the field of politics.

Before the battle gets too intense—and there is certainly every indication that it will be intense—it might perhaps be useful to examine again our fundamental premises. Why are we as a trade union movement engaged in politics? What do we hope to achieve by our participation?

Today's world is an infinitely complex place. As the world has grown more complex the role of government has become more important and the responsibilities of the governed have grown.

As a simple illustration, in 1930 approximately 3.7 million Americans filed federal income tax returns. In 1953 over 57 million individual federal income tax returns were filed.

In 1930 there was no federal old age retirement program. Last month the Department of Health, Education and Welfare mailed out almost eight million checks to retirees under the Social Security Act.

In 1930, when a man was thrown out of work—and many of them were in that year—his only means of feeding his family and keeping a roof over their heads were his own resources and handouts from charity. Today the average unemployment compensation payment is \$29 a week—not enough, certainly, to maintain a decent standard of living but certainly better than the 1930 scale.

Government Affects Every Human Activity

It is not only in the field of economic policy that government touches our lives. There is, as a matter of fact, scarcely a single human activity that is not influenced to some degree by government. Workmen's compensation laws, housing programs, fair labor standards, child labor laws, public assistance, education, agriculture, public health—all these, and many others are activities of our government which we, as voters and as taxpayers, direct and control.

Granting that this is so, why, I am sometimes asked, is it necessary for our trade unions to engage in this activity? Why can't we engage in this activity in our individual capacities?

We can, of course, engage in the processes of government as individual voters but the curious thing is that the more involved people get in politics and government the more clearly they see the importance of acting together. Acting individually they can do something. Acting together they can do much more.

As Theodore Roosevelt once put it, "when a band of 150 or 200 honest, intelligent men, who mean business, is found in any district, whether in one of the local organizations or outside, you can guarantee that the local politicians will begin



to treat it with a combination of fear, hatred, and respect and that its influence will be felt."

Our trade unions are instruments we have devised for improving the welfare of our members. When so much of the welfare of our members is determined in the field of politics and government it is impossible for us, as trade unionists, to ignore it. Having recognized the necessity of action in this sphere it would be equally impossible for us to forget everything we know about organization and acting together when we enter the political arena.

There are those who say we should confine ourselves to legislative activities, that we should make our representations to members of Congress and members of the government and leave the rest to the members' own instinct.

Certainly our legislative activities are vital and the legislative department of the AFL-CIO does yeoman service on legislative matters in which the trade union movement is interested. Yet I feel sure it would be the first to say that politicians do not always act entirely on principle.

The politician knows, probably better than anyone else, who is a registered voter in his district and who is not. He knows where his support is coming from and where he may receive opposition. His judgment is guided, and properly so, by such factors, for his job is to satisfy and represent the people of his district. The only knowledge he has of their wishes is the knowledge he receives at the ballot box on election day and his ear is tuned to the pulling of the voting levers.

COPE Helps Congressmen, Constituents

COPE seeks to help the member of Congress and the member of government know the wishes of his constituents and it seeks, likewise, to help the constituents know something about their representative.

To help constituents understand what is going on in Congress, COPE undertakes to sift through the Congressional Record and the committee hearings, to interpret the significance of roll calls, and to analyze the meaning of governmental actions and decisions.

Having done this it then seeks to see to it that voters, particularly those in the trade union movement, receive this information and are prepared to act upon it in an effective way.

The only effective way of acting is obviously through politics and the only effective politics is organization. We come, therefore, to the organization of state and local COPE's, to registration drives, to drives for individual voluntary contributions with which to finance expenditures in connection with federal elections.

And even if all of what I have said here is unconvincing there still remains a compelling reason for our participation in politics. It is the fact that our opponents in the economic field are actively engaged in politics. They are actively seeking the passage of legislation that will benefit them when it comes to bargaining collectively and when it comes to the distribution of the products of our labor.

The record of Congress and of the state legislatures is full to overflowing with attempts to restrict the rights of our trade unions, with attempts to get the tax burden shifted to the shoulders of working people, with attempts to exploit natural resources for the benefit of a few, with attempts to narrow the scope of our social security and wage standards laws, with attempts to direct our government toward the interest of the few and against the many.

Anti-Labor Laws Show Need for Action

The simple fact is that it was the Smith-Connally Act of 1943 and its successor, the Taft-Hartley Act of 1947, that compelled the present day labor movement to enter into politics. Were it not for those two pieces of punitive legislation it is possible that we would not today be exerting the efforts we are in the political field. Equally, if we were not today exerting the effort we are it is certain that Taft-Hartley and Smith-Connally would be weak tea compared to the brew that would be set before us.

The commitment to politics is one we cannot escape if we are to survive and if we are to serve our members. Having made it, as trade unionists we cannot escape the obligation to devote our utmost efforts to it.

We are making progress. Considering the length of time we have been active in this area I think we have made very good progress. But the challenge is always before us. The pressure is always on and the perils of failure are great.

In 1958 we will be engaged in another contest. I am sure that, given the help and support of our members, we will make a creditable showing. But it will take more than good intentions. It will require the active and interested support of each of us. No one can afford to sit on the sidelines.

Jack Johnson, the great Negro heavyweight, put his finger on it back in 1915 when he was fighting Jess Willard under Havana's blazing summer sun. A spectator at the ringside kept up a running fire of abuse. He criticized Johnson's style, made cracks about his color, complained about his ancestry and belittled his courage in the ring.

Finally, between rounds, Johnson leaned over the ropes, smiled down at the man and said: "Man, you're down there talking. I'm up here fighting."

In the effort in which we are engaged none of us can afford to be "down there talking." All of us, at least part of the time, have to be "up here fighting."



the
high
cost
of
TV
repairs

T ISN'T THE INITIAL COST of a television set that hurts these days. It's the repairs. Dr. Persia Campbell, New York State's Consumer Counsel, reported over a year ago that various authorities estimated the cost of TV repairs at \$14 to \$40 a year per set. At 1958 prices, the estimates would run \$15 to \$43. The higher figure seems more realistic, as it assumes replacement of antenna and picture tube once every five years. Some families use up picture tubes even sooner because of constant use of the set or a tendency to let it remain on like a radio, even when they are not viewing.

In fact, TV repair costs have been rising faster than almost any other item. They went up 10 percent from 1955 to June, 1957, compared to an overall rise in living costs of about 5 percent. From 1952 to 1957 TV repair costs jumped 25 percent, compared to auto repairs.

Legitimate TV service is expensive enough. But there is also a fringe of high-pressure organizations which tend to advertise low service call rates but build up charges through devious methods. One Eastern chain, for example, will notify its servicemen to "make today a \$20 day." That means the servicemen must try to get \$20 for each job. The charges of such gyp outfits have no real relation to the actual cost of repairs, but depend on whatever quota the service department has to meet that day.

Another device of gouging firms is to have three prices for all jobs, as \$14, \$18, and \$22. If a customer seems sophisticated or suspicious, the repairman will charge the lower price.

Detroit Gyps Warn Against Gyps

In Detroit, wage earners complained to their union about a firm which advertised in the local edition of TV Guide a charge of only \$3.95 a call including all parts and labor. Ironically, this firm advertised, "Protect yourself from the TV repair gouge!" One working woman reported she actually paid \$52.45 for a two-year contract which supposedly gives free parts replacement, plus \$3.95 for each call up to six, and no charge thereafter.

Even though this was higher than the firm had advertised, what subsequently happened was even worse. On her first call, a man came out and worked on the set, charging her \$6.53 instead of the agreed-upon \$3.95. But the set was worse than ever. Nor did a second call improve it. The woman finally called the store that had sold her the set. It was fixed for \$5.

The customer tried to get back her down payment on the contract. The service outfit instead threatened to sue for the balance. Her union local's attorney advised her not to pay, and to let him know if the firm actually sued. As far as the union knows, it never did.

One reason families get involved with gyp outfits is that they look for low labor charges. In 1956 the New York Consumer Counsel asked 500 people what they considered a fair charge for labor in fixing TV sets. Over three-quarters felt \$3 an hour or less would be fair.

In contrast, in a survey of servicemen themselves, about three-fourths considered \$3 to \$4 to be fair, assuming the serviceman charges list price for parts. Ninety percent of the replies were in the \$3 to \$5 range. Representatives of servicemen's organizations generally suggested \$5 as reasonable and some national manufacturer service departments were found to charge \$6 to \$7.

Since that time, because of rising costs, it would be fair to add on about 7½ percent. In a survey last week, this reporter found manufacturer service departments now charge \$6 to \$8 an hour. The variation depends on local costs and how much the individual company feels it needs to maintain its facilities.

Fair Charge for Labor: \$4 to \$5.50

This department's own estimate is that a labor charge of \$4 to \$5.50 would be in line with the market, depending on local conditions. To many wage-earners earning under \$2.25 an hour, this seems high. The fact that you must pay a minimum of \$4-\$5 is an especially bitter pill when you see that sometimes the repair took only ten minutes.

But the rate must include transportation costs and time, shop and equipment expenses and other overhead.

By SIDNEY MARGOLIUS
Consumer Expert for The Record

Trying to find a low labor service charge makes you open for hidden gouges. Too, a really skilled serviceman may solve problems faster than one less skilled, at a lower final cost.

Manufacturer service departments claim that independents who charge \$4 to \$4.50 tend to make up low labor charges by charging more for parts. This is not necessarily true, but does sometimes happen. The sharp operator every family must guard against is the firm that habitually pulls sets out to repair them in the shop.

Michael Kaleda, television engineer who trained servicemen for a leading manufacturer, advises that almost all sets can be repaired in the home. At least two national service managers similarly say 95 percent of the sets can be repaired in the home. Kaleda says the most frequent service calls merely require replacement of one of the receiving tubes.

Beware Quick Removal of Set

Sometimes a troublesome set does have to go to the shop. But beware the firm that advertises a low charge for a call, as \$2 or \$2.50, and immediately removes the set without first making a diligent effort to diagnose and repair the trouble in your home. Some firms habitually remove sets because they can't get away with charging a high price if the set owner sees the repair takes only 20 minutes.

Unscrupulous firms also build up fees by replacing parts still in working condition. They sell them to other people. An honest serviceman always leaves the old tube or parts, even worn-out antenna brackets he may have had to replace.

There is a definite high-pricing in parts. New picture tubes are list-priced from \$21 to \$117. A typical tube for a 17-inch set is about \$50. Receiving tubes list from \$1.50 to \$7.30, depending on the type. A typical widely-used type as the No. 54VG lists at \$2.80. Actually it would cost \$175-\$225 to buy all the replacement parts for a small set you could buy brand new and assembled for \$125-\$150.

Servicemen blame manufacturers and distributors for the high cost of parts. They themselves get a discount of 50 percent on receiving tubes, 35-40 percent on parts, and about 25-28 percent on picture tubes. They claim they need this in addition to the labor charge, to cover expense of picking up and stocking parts. Some people in the larger cities will buy the picture tube themselves from a semi-wholesaler and have a serviceman install it. A scrupulous serviceman will install a picture tube if you want to pick it up, although he would prefer to sell it to you. (If there are no radio and TV parts jobbers in your area who give discounts, you can get price lists from such firms as Allied Radio, 100 N. Western Ave., Chicago, and Lafayette Radio, with stores in several cities and home office at 100 Sixth Ave., New York.) Their catalogues also give you a way to make sure you are not overcharged for parts.

Filters May Help Your Reception

The TV viewer who is plagued by interference from such sources as amateur, government and police radio transmitters can obtain a high measure of relief with a good high-pass filter. Small devices, of matchbook to cigarette-pack size, the high-pass units are network filters designed to "pass" all frequencies and to block all waves.

Most high-pass filters are not effective against auto ignition spark interference. Where signals are weak, some high-pass filters tend to reduce the signal strength of the lower TV channels.

Spark interference in the form of dots dashing across the picture sometimes originates from within the TV set itself. This situation calls for a repairman.

Installation of a high-pass filter is best left to a TV serviceman because of the shock hazard involved in grounding the filter to a possibly "hot" chassis. Cost of such installation should not exceed that of an ordinary service call.

It's a good idea to get a money-back guarantee before buying any interference filter, since there's no sure way to determine its effectiveness in solving your particular interference problem before trying it out.

Hi, Yo' Record Readers! Ah'm Al Capp!!



Drawn for The Record by Al Capp

An Exclusive 'Record' Interview

By BERNARD STEPHENS

Al Capp is a big, hearty, bullfrog-voiced man of 48 who loves nothing better than to hear a howl of rage from a pompous phony—especially when the howl is inspired by barbs appearing in his comic strip, *Li'l Abner*. The denizens of Dogpatch have to contend periodically with bloated big businessmen, labor racketeers, brainless editors, unprincipled politicians, homicidal cops, cruel stepmothers, and other "inholoomin" specimens. In apparent proof of Capp's theory that all humor stems from man's inhumanity to man, the *Li'l Abner* cartoon is one of the most successful of all time, read daily and Sunday by 50 million in 700 U.S. newspapers, and millions more in translation in some 100 papers abroad. Cartoonist Capp has emerged after 24 years of *Li'l Abner* as a humorist compared favorably with Mark Twain and Lewis Carroll.

Al Capp was interviewed by The Record at his New York City apartment. He talked about advance plans for the *Li'l Abner* strip, his remarks punctuated by deep-throated chuckles and sharp thrusts at a species of pompous phony he's hated for many a moon-over-Dogpatch—the hard-headed, "practical" businessman-politician (ugh!) who's been running the show in Washington.

"*Li'l Abner* will be out in space, more fantastic than ever," he said. "The satellites gave me the chance I'd been waiting for. I tried some strips on space before, but they were rejected as incredible by readers. The whole country shared Charlie Wilson's contempt for such 'nonsense'. The 'sound and practical' businessmen were running things, and the dreamers, the 'lunatics', were patted on the head and told to go peddle their papers someplace else. And then we woke up to find Sputnik up there."

"Well, we've lived to see the day when Senator Lyndon Johnson talks about us getting to the moon before the Russians get there, and we have to come to the scientists and dreamers, the 'crackpots', to ask for help. It's delicious, delightful."

Capp is a devoted science fiction reader, and in fact addressed a world convention of science fiction writers recently. He admires them, believes that "in the speculation of these so-called screwballs there is more good common sense than in all the Charlie Wilsons of the world. Only now are the 'practical' guys reaching the stage of realism thought of years ago by the 'lunatics'."

History 'Proves' Capp's Theory

And it's always been so, throughout history, Al Capp opined.

"Everything we have come from the 'nuts', the dreamers—social security, the clothes we wear. Impractical, offbeat people like that threw together the Model T, started trade unions. We're not the caretakers of finished things. We've been taking leadership from the hard-headed businessmen, and we've been standing still. But this brand of 'soundness' is not respected by the Russians. Their dreamers have freer rein, and they've been moving fast. The hard heads shouldn't be running the show in Washington. They should be errand boys for the dreamers."

And that's why *Li'l Abner* will be out there in space, "more fantastic than ever," in the Sunday comic pages.

Capp talked about how the strip is gotten out. He has a studio in Boston, works steadily for two or three weeks to produce a month or so of the *Li'l Abner* strips, "and then I collapse for a week or two." Contrary to rumors usually ripe about famous cartoonists, Capp himself works on all the *Li'l Abner* strips, devising the story and dialogue and drawing the faces of all characters. Two long-time associates, Andy Amato and Walter Johnson, produce figures and backgrounds, and ink

in the finished product. Capp nets about \$300,000 a year on *Li'l Abner*—which just goes to show how well you can do if 50 to 60 million people like your work.

Al Capp's range of interest is as big as space, and he is hardly reticent on matters that interest him. Here are a few Capp Capsules:

• **On Television:** "Just heart-breaking . . . the whole thing starts off so wrong. This marvelous method of communicating culture and information—its primary function is to sell beer and brassieres. A small group of manufacturers are the artistic dictators of television, because they pay the bill. They are bigger than the nation, with more power than any foreign dictator ever had. We give over our rights to get bits of garbage free. Half the programs our kids see deal with murder, mutilation and horror, because this is the simplest way to keep them glued to the screen—and this gets the commercial over. The public is supposed to be protected by the FCC against the excesses of those who dominate TV. Now a majority of this body of selfless public servants has just been exposed as the recipients of expensive gadgets and cash from the very companies the FCC was created to protect the public against. It will be interesting to see if the television commentators employed by those companies will denounce the FCC commissioners as vigorously as they did the labor racketeers recently exposed for the very same misdeeds."

• **On the Danger of War:** "I can't believe there exists any Russian carpenter, plumber or physician who wants to kill an American carpenter or plumber or physician in order to get ahead of him. I think individuals find it more sporting, more Christian and more fun to get ahead of each other by simply being smarter. Yet nations, immemorially, try to get ahead of each other by killing each other. Why is it that sane individuals are persuaded to become murderers by insane governments? Is it because day-to-day life is so undemanding that the human race needs war as a grisly game that demands more inventiveness, more cunning, more nobility, and provides more zest than peace?"

• **On the Nature of Humor:** "I've come to the reluctant conclusion that what people mainly laugh at is the anguish and embarrassment of other people. I hope I'm wrong, but it has seemed to me that if you diagnose any comic situation you will inevitably find that what makes us happy is the unhappiness of others. If one of your readers can diagnose any comic creation and come up with some other reason for laughter than my rather unhappy reason, I'll be most interested—and if I can be proven wrong I'll be most delighted."

Capp Raises Ruckus on TV

Pungent comments like those above have been made by Al Capp in media other than his comic strip, and as might be expected, they've raised a ruckus. There was the time back in 1949 when Capp did a weekly summer replacement for Drew Pearson on a national radio hookup. The producers thought they had a nice, quiet "comic" show, but Capp proceeded to discuss world events with the kind of "bite" that the *Li'l Abner* strip should have telegraphed. It was funny, but the wrong people hollered.

"I said something satirical about Tom Dewey, and the studio audience laughed," he recalls. "Boy, you never saw so many network vice-presidents jumping around. The show lasted two weeks."

Some years ago Capp was a member of the "Who Said That?" panel show on CBS-TV. Mention was made of Senator Robert A. Taft, and Capp said something gently critical.

"How did I know some oil company sponsored the show in the Midwest, and that they would be offended?" he asks. Despite the fact that a poll had found Al Capp the most popular panelist on the show, he was off the panel.

Now there's some talk about Capp doing another TV show. He was offered an interview program like that of Mike Wallace—sharp, revealing—but Capp refused.

"I don't think you get to the truth about people by shocking 'em, insulting 'em and digging up irrelevant and forgotten statements and acts, any more than Joe McCarthy ever got to the truth by his shock-and-run methods," Capp said.

He proposed another kind of show, described it as "one in which, conceivably, both people might enjoy talking to each other, in which both interviewer and interviewee might burst out laughing and really reveal themselves as human beings. It is now under consideration by a network. I don't think it will get very far."

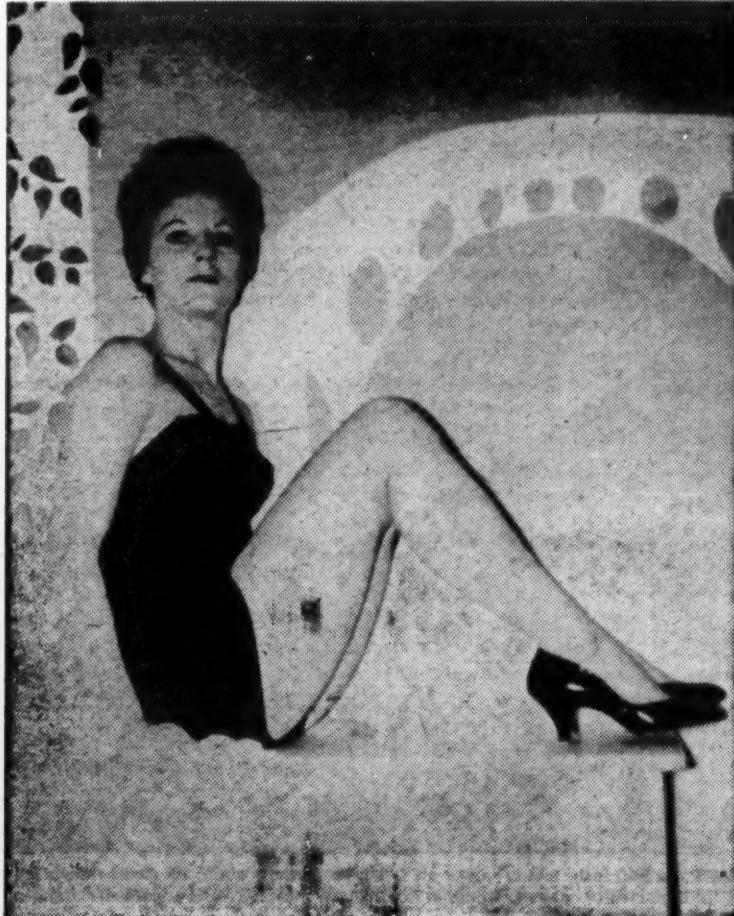
"I'm spoiled for TV. The American press has for twenty-four years given me the right to talk as I please in '*Li'l Abner*'. I don't think I can go from the healthy, clean atmosphere I've enjoyed in the newspapers to the nervous, trembling subservience to sponsors of TV."



AL CAPP, as he really looks, works on *Li'l Abner* comic strip. As can be seen by his "self-portrait" above, he does not spare himself when caricaturing.



↑ JOHANNA KARWATH of District 65, N. Y., works as clerk and model in Lerner Shops buying office. She's 23, is 5' 4" tall, weighs 125, has blonde hair, blue-grey eyes and measures 39-24-37 in the usual order.



← FLORENCE COUSINS of Newark, N. J., is a member of Local 260, manager of Cushman's retail bakery. She's 24 years old, 5'4", weighs 110, is a blue-eyed blonde, has 34" bust and hip measurements and a 24" waist.

UNION QUEEN

Here they are—the first batch of entries in The Record's Union Queen Contest. These three beauties, chosen from among the many photos submitted by RWDSU members, are now in the running for the title of Union Queen and the many valuable prizes going with it. There's still time to enter—but better do it now! Here's all you have to do:

● Send in your best photos, preferably in bathing suit, since both face and figure count in this contest. Print name and address clearly on back of each photo. All photos will be returned.

● Together with photos, send following information: name, home address, number of local, name of shop where employed, job title, and personal description, including age, color of hair and eyes, height, weight, and measurement of bust, waist and hips.

● The entries will be narrowed down to five finalists by a committee of judges prominent in the entertainment world. Then RWDSU members will choose the winner from among the finalists by mailing in a coupon ballot which will appear in The Record.

Send all entries to The Record's Beauty Contest, 132 West 43 Street, New York 36, N. Y. Don't delay.

FIRST ENTRIES



↑ LORRAINE DuFOUR of Wyandotte, Mich., belongs to Local 1064, works for Food Service, Inc. She's a green-eyed blonde of 34 who weighs 110, is 5'1/2" tall and scores 34-25-37 on the tape measure from top down.

How Tax Laws

Help The Rich Save Billions



By MAX STEINBOCK

Between now and April 15, more than 60 million Americans will buckle down to the task of making out their federal income tax returns. The overwhelming majority, including practically everyone who works for wages, will file honest returns. A relatively small number will try to evade all or part of their taxes by outright falsification of their returns. Some of these will conceal income they have received; others will claim non-existent dependents; still others will exaggerate their gifts to charity or their medical expenses or other deductible items on their returns. Needless to say, these foolhardy few are playing with fire. It's only a matter of time before the government catches up with them.

Far more numerous than the outright tax cheats—and far more important in terms of the amounts they are able to save on taxes—are the businessmen, self-employed professionals and other well-to-do individuals who take advantage of the many loopholes in the U.S. tax law—and who do it legitimately, without the fear of jail or heavy fine that constantly plagues the tax cheat. The worst that can happen to them is that the Internal Revenue Bureau may disallow some part of their claimed deductions, thus forcing them to pay taxes on that amount. That's the worst—and it doesn't happen too often, according to tax experts, who say that Uncle Sam is being deprived of billions through the use of tax gimmicks, and through "legitimate" use of existing loopholes in the law.

While Congress has long shown a decided reluctance to do anything more than talk about an increase in the amount of exemption for dependents, or any other move that might reduce taxes for the working people of the country, our federal lawmakers are Johnny-on-the-spot when it comes to approving tax favors for the rich. And if a general loophole won't make it possible for a particular individual or corporation to save enough on taxes, Congress may obligingly pass a special bill to do the job.

How Congress Aids Hilton Hotels

Does that seem like an exaggeration? Well, last August the House Ways and Means Committee reported out a tax bill, HR 7628, entitled "Extension of Involuntary Conversion Tax Treatment to Certain Dispositions under the Anti-Trust Laws." By all rights, it should be called—and is, by some Congressmen—the "Hilton Hotels Bill." The reason: It is designed specifically to save the Hilton Hotels Corp. from paying even the minimum capital gains tax on profits from the sale of several hotels. The excuse is that the government forced the company to sell the



hotels, as the result of a civil anti-trust action, and therefore Hilton should not be required to pay taxes on profits from this forced sale. Thus, if the bill passes, Hilton will get a tax bonanza as a reward for violating the federal anti-trust laws!

This is just one of approximately 25 "pet" tax bills that are approved each year by the House Ways

LOPHOLES

and Means Committee—one such bill for each committee member. In addition, of course, there are various general loopholes already in the law and added to from time to time by Congress, all of which are designed to be an aid and comfort to the wealthy.

The last issue of *The Record* touched briefly on one of the most flagrant of these loopholes: the percentage depletion allowance and other special deductions for oil and mining income. The depletion allowance permits oil and mining companies to have as much as 27½ percent of their gross income exempted from all taxes. Congress has been persuaded—by oil and mining interests—that they need a government subsidy of this kind as an incentive to go out and search for new oil and ore deposits. And, since these deposits are likely to be depleted—eventually—what could be more logical than to assume that they are depleted at the rate of 27½ percent a year? It's been estimated that Uncle Sam loses more than \$1.5 billion a year in taxes through this gimmick alone, and that more new millionaires have been created by it than by any other special tax benefit.

Tax-Saving Gimmicks in Law

Other important tax-saving dodges used by businessmen and the amounts they have removed from the U.S. tax base follow:

- **Capital gains:** This is the device whereby income that might be taxed as much as 91 cents on the dollar is transformed into a capital gain which is taxed at half the rate of ordinary income up to a maximum of 25 percent. Among the sources of income that are considered capital gains are profits on stocks held more than six months, coal and timber royalties, lump sum payments by pension funds set up for executives as a sort of deferred salary, and the sale of patent rights, stock options, growing crops and breeding livestock. Annual tax base loss: \$2.2 billion.

- **Interest on life insurance savings:** Life insurance policies grow in value from year to year as the interest accrues on the savings part of such policies. But this interest, which yearly increases the cash surrender value of the policy, is tax exempt. Annual tax base loss: \$1.1 billion.

- **Interest on state and local bonds:** State and municipal bond issues are attractive investment opportunities to the wealthy because the interest on them is exempt from federal income taxes. Annual tax base loss: \$500 million.

- **Special benefits for corporations:** In addition to depletion allowances and capital gains provisions, corporations get other special benefits. Foreign trade offers special advantages, profits accumulated abroad are not taxable until they are brought to the U.S. And if the company that accumulates them is liquidated, the profits are taxed only at the low capital gains rates. Oil company royalty payments to the governments of Saudi Arabia and Venezuela are credited against the oil companies' U.S. taxes. There are other special tax provisions favoring insurance companies and the maritime industry. Annual tax base loss: \$8 billion.

In addition to these great big loopholes, there are many others which add up to a great deal, but which cannot be fixed precisely as to amount. For instance—fringe benefits to executives, which are worth an incalculable amount but are not listed as income. Then there are all kinds of goods and services charged off by businessmen to their firms but actually used by them or their families.

Businessmen have charged off such "business expenses" as family parties, swimming pools and other additions to their homes, night club entertainment, parking tickets and even call girls as tax-deductible items. Of course, when they're found out, such deductions are disallowed.

Outright tax evasion occurs much more frequently among the "haves" than the "have-nots"—perhaps because the latter don't have as much opportunity. At any rate, experts have estimated the percentage of income from various sources that taxpayers fail to report. Only five percent of wages and salaries goes unreported on income taxes—but 13 to 25 percent of all dividends are unreported, while 55 percent of income from rent and 61 percent of income from inter-

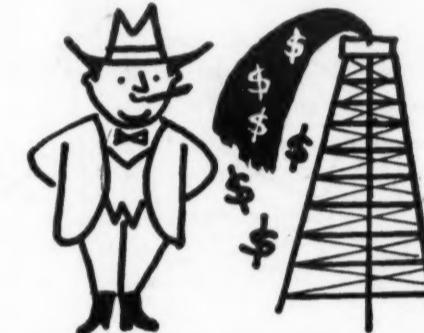
est fails to show up on the income tax forms. It's estimated that a total of \$26.5 billion did not appear on 1956 returns!

A good part of the blame for both the loopholes and the special benefits for the wealthy contained in the tax law can be placed at the door of the Eisenhower Administration. Jack Steele, a Scripps-Howard staff writer whose recent series on income taxes has provided a number of facts in this article, says of the 1954 Internal Revenue Code revision, pushed through by the Republicans with much fanfare, that "as a tax reform program, it was a flop."

While Eisenhower won the 1952 elections with a pledge to make the income tax law simpler, fairer and more uniform, this is what actually happened, in Mr. Steele's words:

"Measured against such promises, the 1954 code achieved very little.

"It loaded the tax system with new preferences,



special benefits, inequities and loopholes.

"It added so many new complexities that the revenue service, after nearly four years, still has not been able to issue all the regulations necessary to interpret the new code for taxpayers and their lawyers.

Far from halting the erosion of the tax base, it speeded it up. The 1954 code sought to achieve tax fairness by spreading new 'special benefits' in every direction. But most of the tax savings went to business and high-bracket taxpayers.

"Business was favored by provisions for faster depreciation, bigger depletion allowances and less stringent tax penalties for accumulating profits.

"Upper-income groups got the major benefits from the new dividend credit, from reduced taxes on annuities and from raising the ceiling for deductible contributions from 20 to 30 percent.

"A few 'vote-getting' benefits went to lower-income groups, notably the new deduction for 'baby sitters,' larger deductions for medical expenses and exemption for sick pay."

NAM Program: Aid the Rich

The Republicans have not had a Congressional majority since those glorious days of '53 and '54, and presumably that's the reason they haven't made additional "reforms" like those referred to above. However, the National Ass'n of Manufacturers is holding out hope for the future to all its members. Its new tax program, which the GOP may want to use in this fall's election campaign, calls for a tax break for "everybody" in a fashion typical of the NAM. That is, it would lower taxes in the lowest bracket by one percent, from 20 to 19 percent. At the same time, it would lower the highest bracket by 31 percent, from the present 91 to a maximum of 60 percent. In succeeding years, it would reduce the lowest bracket rate one percent a year, the highest rate by five percent a year!

Obviously, the NAM is taking as its text the Biblical quotation: "Unto every one that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even that which he hath."

Fortunately, we "hath-nots" still outnumber the "haths" by a big margin. If we use those numbers effectively on Election Day, maybe we can change the tax laws so that we'll be left with a little more next April 15.



A Man's Meat, A Woman's Poison

By JANE GOODSELL

The family unit is a structure composed of men, women, and children who usually love each other, although each suspects the others of having a few marbles missing.

That this suspicion exists is not surprising. What is surprising is that men, women and children manage to co-exist at all in the same households—or the same world, for that matter. There is a lack of communication among them that no amount of "togetherness" can dispel.

Although they speak the same language, its words do not mean the same thing to one as to another. And the images that exist in a man's mind are quite different from those that rattle around in the heads of his wife and children.

A man's poison, for instance, is apt to be his wife's most cherished recipe—that deliciously different tuna fish casserole that all the girls were so crazy about when she served it at the baby shower for Madge. Why, practically everyone called her the next day to ask for the recipe!

Or take hair. There is not, and never will be, any meeting of minds between men and women on the subject of hair. Hair, to a man, is some-



thing that he goes to the barbershop to have cut every couple of weeks. Except for occasional worries about whether it is falling out or turning gray, he does not give it a second thought. What would there be to think about?

To his wife and daughters, hair is a way of life and a source of unending preoccupation. It is an expression of one's personality, and a constant challenge to "do something different."

As for colors, men and women simply do not operate on the same wavelength. To a man, blue is blue, and green is green. And the fact that his wife can lie awake nights, trying to decide between an olive or an apple green something-or-other, strikes him as sure proof of lunacy.

Contrarywise, when a woman asks her husband, "What was Helen wearing when you saw her downtown?" and he answers, "Oh, something blue, I think," he is lucky if he doesn't get a hard object thrown at him.

Even when a husband and a wife agree, their reasons for doing so are probably quite different. She simply adores their new car because of its Capri blue exterior, its darling tweedy upholstery and the cute way the



'Record' Drawings by Marjorie Glaubach

windows open and shut. His enthusiasm is based upon gas mileage, horsepower and maneuverability.

If a mother and her teen-age daughter agree (which is very, very unlikely) on the suitability of a certain young man, they won't do so for the same reasons. Her mother's appreciation is based upon his nice manners and his nice family. His charm for her daughter rests on his being a complete doll, left end on the football team and vice-president of Phi Gee.

What's sauce for the goose, is usually regarded by the gander as a lot of foolishness and an awful fuss about nothing. The serious business of shopping is, to him, "running around from store to store." Planning the club rummage sale becomes "gabbling with a lot of silly women." And, to her, his basement workshop is "all those silly tools that he wasted so much money on."

Men, women and children are obviously incompatible creatures, and the family unit is a highly unworkable arrangement. There is no reason in the world why it should work. Except that it usually does.



Mellow Yams Blend Well With Tender Meats

By DOROTHY MADDOX

Those moist deep-yellow yams now in the market combine deliciously with meats and other vegetables. Baked or boiled in their skins, they are a treat in themselves served with butter or margarine.

Mellow Yam Marinade (4 servings)

One quarter cup of salad oil, 1 medium onion, chopped; 1 clove garlic, finely chopped; 1½ pounds veal, thinly sliced; grated Parmesan cheese, salt and pepper, 1 can (1 lb.) tomatoes, 1 can (8 oz.) tomato sauce, 1 teaspoon oregano, 1 teaspoon salt, 4 medium yams, pared and sliced; 2 tablespoons lemon juice.

Heat oil; add onion and garlic. Cook until lightly browned. Dredge veal with cheese; sprinkle with salt and pepper. Add to onion mixture and cook until lightly browned on both sides. Add green pepper, tomatoes, tomato sauce, oregano and salt.

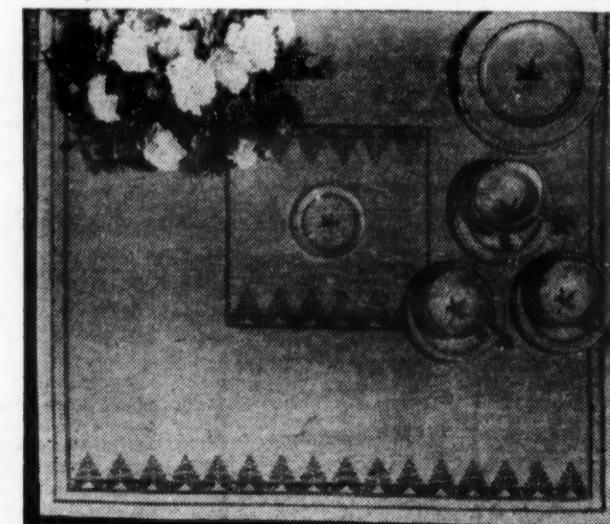
Cover and cook over low heat 25 minutes, or until veal is almost tender. Add yams; cover and cook 15 minutes, or until yams are tender. Add lemon juice and cook another 15 minutes.

Beef-Stuffed Mellow Yams (4 servings)

Four medium mellow yams, 2 tablespoons butter or margarine, 1 pound ground beef chuck, 1 cup chopped onions, ½ cup chopped green pepper, salt and pepper to taste, grated Cheddar cheese.

Bake yams in moderate oven (350 degrees) 45 or 50 minutes, or until tender. Meanwhile, melt butter or margarine; add beef, onions and green pepper. Cook over medium heat until meat is browned. Season.

Cut yams in half lengthwise; scoop yams from shells and mash. Reserve shells. Add mashed yams to meat mixture and mix well. Fill shells with yam and meat mixture and sprinkle with cheese. Bake in hot oven (400 degrees) 15 to 20 minutes, or until cheese is melted and lightly browned.



This Crochet Pattern-Free!

COLORFUL TABLE TOPPING—Whether you call it Swedish weaving, darning or embroidery, here is an easy way to add color and charm to the simplest of bridge cloths. It's fascinating to do, and is worked for the most part in running stitches through raised threads of the huckling. If you would like instructions for making this BRIDGE CLOTH, please send a stamped, self-addressed envelope to the Needlework Department of the Record with your request for Leaflet No. S-796.

An Exclusive
record Interview

With Li'l Abner's

Creator



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